GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2934
ANSWERED ON:02.08.2002
SHIFTING OF FIPB
NITISH SENGUPTA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are considering to transfer the Foreign Investment Promotion Board (FIPB) from the Ministry of Industry to the Ministry of Finance;

(b) if so, the details thereof;

(c) whether a lot of functions of the FIPB are proposed to be shifted to the RBI under automatic licensing scheme; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b): No such proposal is under consideration.

(c) & (d): Foreign Direct Investmentup to 100% is permitted on automatic route in most sectors. Approval of FIPBis required only in a few sectors such as broadcasting, domestic Airlines, integrated townships, defence industry, tea plantations, etc. Applications made to FIPB are considered on the basis of notified guidelines and normally disposedof within a time frame of six weeks from the date of receipt of the application.